REMARKS

This amendment is responsive to the Office Action dated September 12, 2003. Applicants have amended claims 1 and 56, and have added claims 93-108. Claims 75-92 were restricted by the Examiner, and are withdrawn herein with traverse. Claims 1-17, 20-22, 25-31, 56-73 and 93-108 are pending upon entry of this response.

As a preliminary matter, Applicants would like to thank Mr. John Weiss, the Examiner's Supervisor, for discussing the present Office Action and the general examination of the subject case. Mr. Weiss and Mr. Sieffert, Applicants' representative, participated in the discussion. During the telephonic interview, Mr. Sieffert generally discussed Applicants' concern with the examination of the present application to date. In particular, Applicants expressed concern in the following areas: (1) that the Office has not yet applied well-reasoned analysis in a manner consistent with the statutory and judicial requirements in establishing a prima facie case of unpatentability of Applicants' claimed invention, (2) the Office has not addressed the objective evidence and secondary considerations presented by the Applicants' declaration, and (3) in the last Action, the Office constructively restricted Applicants claims without applying reasoned analysis showing one-way or two-way distinctiveness and an examination burden, as required. During the interview, no amendments were proposed.

Claim Rejection Under 35 U.S.C. § 101

In the Office Action, the Examiner rejected claims 1-17, 20-22, 25-31, 56-63 and 72-73 under 35 U.S.C. 101 stating that the claimed invention is directed to non-statutory subject matter. Applicants respectively traverse the rejection. Nevertheless, to expedite prosecution, Applicants have amended the claims for purposes of clarifying that the claims are directed to the technical arts.

Restrictions

In the Office Action, the Examiner asserted that newly added claims 75-92 were "independent or distinct from the invention originally claimed," and that the claims were withdrawn from consideration as directed to a non-elected invention. The Examiner's analysis, however, was incomplete for several reasons.

-16-

Appl. No. 09/504,159
Amd dated December 10, 2003
Reply to Office Action of September 12, 2003

First, for a restriction requirement to be proper, the Examiner must show two criteria: (1) the claimed inventions are distinct, and (2) there is a "serious burden" on the Examiner. These requirements are clearly stated in MPEP 803, and must be met regardless of whether examination has commenced.

Regarding the first requirement, the Examiner simply listed elements of claims 75-92 that were not already present in the pending claims. The Examiner offered no other analysis as to why claims 75-92 were distinct from the pending claims. In order to show related inventions to as distinct, however, the Examiner must apply the analysis set forth in MPEP 806.05(c)-(i). For example, the Examiner may demonstrate that the related inventions are combination/sub-combinations, and then show that the inventions have two-way distinctness under 806.05(c). In the Office Action, the Examiner failed to provide any analysis whatsoever other than listing features of the newly added claims.

Regarding the second requirement, the Examiner completely overlooked the requirement to demonstrate that examination of the newly added claims present a "serious burden," as required by MPEP 803. Applicants direct the Examiner to MPEP 808.02, which requires that for restriction to be proper for distinct inventions, the Examiner must show that the inventions must be classified separately or has achieved separate status in the art. The Examiner provide no evidence on this point, and appears to completely overlook this requirement.

In the event the Examiner maintains the restriction requirement, Applicants request a complete reasoned analysis in accordance with the requirements of the MPEP.

Claim Rejection Under 35 U.S.C. § 103

Before addressing the specific claim rejections under 35 U.S.C. § 103, Applicants would like to make some general comments regarding the Examiner's analysis to date. First, many of the references and comments made by the Examiner are directed to automatic adjudication / settlement of claims or disputes. Many of Applicants' claims, however, recite elements directed to techniques for assisting parties, with perhaps the aid of dispute resolution specialist, in resolving disputes. For example, Applicants; claim 1 recites executing software to apply a case-based reasoning system to case information to produce a result for use in selection of a mode of resolving the dispute in accordance with an online dispute resolution process, and presenting the

-17-

Appl. No. 09/504,159
Amd dated December 10, 2003
Reply to Office Action of September 12, 2003

result of the application of the case-based reasoning system to the case information to the one or more parties via the computer network to assist the parties in resolving the dispute. The Examiner has apparently confused Applicant's recited elements for assisting the parties in resolving an online dispute resolution with the notion of automatically adjudicating a dispute. This is probably why the Examiner continues to cite neural networks and automated adjudication systems, which are unrelated to the elements of Applicants' claims. Applicant's claimed invention does not recite elements for automatically adjudicating a dispute, but rather systems and method for assisting the users in resolving disputes in a network environment, such as the Internet.

Second, as discussed with the Examiner's Supervisor during the above-referenced telephonic interview, the Examiner has repeatedly failed to address specific elements recited by Applicants' claims. Instead, the Examiner has written detailed passages describing features of the cited references that are unrelated to Applicants' claims. For example, with respect to claim 1 in the present Office Action, the Examiner admits that the primary reference, Sloo, does not disclosure certain features of Applicants' claims. The Examiner then provides a detailed description of NueralTech's CADRE software and First of Omaha's Merchant Processing System without pointing to any specific passages that describe the features of Applicants' claim 1.[1] Nevertheless, the Examiner rejects claim 1 using rather erroneous logic that appears to be based on his subjective view of software systems. This subjective analysis is impermissible and contrary to well-defined requirements for establishing a prima facie case of obviousness. To the extent the Examiner maintains the rejections, Applicants request that the Examiner focus on the elements of Applicants' claims, and provide a detailed, objective analysis that addresses all of the criteria for establishing a prima facie case of obviousness.

Third, in numerous places within the present Office Action the Examiner has taken Official Notice of facts not in the record. As previously pointed out by the Applicants, the Examiner is permitted to take official notice of facts outside of the record only when those facts are capable of "instant and unquestionable demonstrations as being well-known."[2] Moreover, when a rejection is based on facts within the personal knowledge of the examiner, the data

---

[1] See, e.g., Office Action, pp. 9-10, where the Examiner describes the systems of the cited references at length without addressing the limitations of Applicants' claim 1.
[2] See MPEP 2144.02 quoting In re Ahlert, 424 F.2d 1088, 1092, 165 USPQ 418, 420 (CCPA 1970).

-18-

Appl. No. 09/504,159
Amd dated December 10, 2003
Reply to Office Action of September 12, 2003

should be stated as specifically as possible, and the facts <u>must be supported, when called for by the applicant, by an affidavit from the Examiner</u>. Such an affidavit is subject to contradiction or explanation by the affidavits of the applicant and other persons.[3] Applicant hereby requests that, to the extent the Examiner continues taking official notice of *any* facts not in the record, he provided an affidavit that describes the facts in detail, the public nature of those facts, and specific dates when those facts where publicly available.

Claims 1-17, 20-22, 25-31, 56-73

In the Office Action, the Examiner rejected claims 1-17, 22, 25, 27-29 and 56-73 under 35 U.S.C. 103(a) as being unpatentable over Sloo (USPN 5,895,450) in view of Burchetta et al. (USPN 6,330,551), and in further view of NeuralTech, Inc. ("NeuralTech") and Cookmeyer II (USPN 6,363,384).

To establish a prima facie case of obviousness, three basic criteria must be met. First, the prior art reference or references when combined must teach or suggest <u>each and every</u> claim limitation. Second there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Finally, there must be a reasonable expectation of success.[4] The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on Applicant's disclosure. The reasoning set forth by the Examiner fails these well-established criteria. Accordingly, Applicant respectfully traverses the rejection under 35 U.S.C. 103(a) for the reasons set forth herein.

In rejecting Applicants' claims, the Examiner relies primarily on the disclosure of Sloo, which is directed to a network-based complaint handling system. However, as discussed above, Sloo is directed to automatic <u>adjudication</u> of a dispute, not to methods and systems for assisting parties in resolving a dispute via online dispute resolution. The Examiner provides a lengthy discussion of how Sloo provides a central program that "evaluates all of the gathered information ... to arrive at a judgment."[5] The Examiner emphasizes that the program in Sloo may apply

---

[3] See 37 CFR 1.104(d)(2).
[4] See MPEP 706.02(j) quoting In re Vaick, 947 F2d 488, 20 USPQ2d 1438 (Fed Cir. 1991).
[5] Office Action, page 9.

-19-

artificial intelligence with neural networks, fuzzy logic, and/or genetic algorithms to analyze various scenarios to determine the best solution or outcome to a dispute. Again, this analysis is irrelevant to Applicant's claimed invention for assisting the <u>users</u> in resolving disputes via online dispute resolution processes. Applicants' claimed invention, and the systems described generally by the present application, are not directed to a system that automatically adjudicates a dispute.

As admitted by the Examiner, Sloo fails to disclose certain requirements of each of Applicants' independent claims 1, 56 and 64.[6] As one example, the Examiner states that Sloo fails to disclose applying a case-based reasoning system to case information to produce a result for use in selection of a mode of resolving the dispute in accordance with an online dispute resolution process, as required by claim 1. In fact, the processes described in Sloo relate entirely to automated adjudication via a computer automated process or a negotiator, judge or jury. As described in great detail in the accompanying declaration, the automatic adjudication-based system described by Sloo is entirely inapplicable, indeed unworkable, for situations requiring online dispute resolution, e.g., online marketplaces. Online dispute resolution process, as recited by claim 1, as applied to real-world online marketplaces is a conciliation-based process that requires unique considerations and innovations entirely unrelated to the inapplicable and fictitious complaint handling system of Sloo that seeks to apply artificial intelligence to "define laws" and "curb behavior."[7]

Similarly, the Examiner admits that Sloo does not disclose comparing the case information to facts of previously resolved disputes to produce a result for use in selection of a mode of resolving the dispute, as required by claim 56. As another example, Sloo does not disclose a database to store facts and outcomes of previously resolved disputes, and a server that compares case information to the facts of previously resolved disputes stored by the database to produce a result for use in selection of a mode of resolving the dispute, as required by claim 64.

In an attempt to address these admitted deficiencies of Sloo, the Examiner appears to rely on <u>all of</u> Bruchetta, Cookmeyer, NeuralTech and First of Omaha in a patchwork fashion.[8] This reliance is clearly misplaced. With respect to Cookmeyer does not disclose or suggest these requirements of Applicants' claims. In fact, Cookmeyer is in not even remotely related to

---

[6] See Office Action, 2/13/03, page 5.
[7] See, e.g., columns 15 & 16.
[8] Office Action, pp. 9-10.

-20-

electronic dispute resolution. Instead, Cookmeyer discloses an expert system for analyzing network protocols, e.g., Ethernet, Token Ring, and the like.

Moreover, Cookmeyer merely discusses an analyzer that "combines a rules based knowledge base together with a structured interview analysis which allows the user to follow interview questions in focusing the problem definition."[9] The Examiner has done nothing more than select a reference to demonstrate a rule-based computing system that can be used for problem solving, e.g., a protocol analyzer of Cookmeyer for identifying network problems. Applicant has no doubt that the Examiner could have selected any of a multitude of references for this proposition.

However, the proposition is wholly unrelated to Applicants' claims, and clearly fails to teach or suggest the comparison of case information to assist in selection of a mode for resolving a dispute in accordance with and online dispute resolution process, as required by Applicant's claim 1. Sloo clearly fails to show this, as readily admitted by the Examiner. Where is this shown in the network analysis described by Cookmeyer?

NeuralTech and First of Omaha add nothing to address the deficiencies of Sloo. For example, NeuralTech is nothing more than a marketing brochure. With respect to NeuralTech, the Examiner states "NeuralTech discloses "CADRE" ... that automates all aspects of the retieval, chargeback and dispute resolution process for acquirers and issuers." The Examiner further states that "First of Omaha Merchant Processing announces today that it has entered into a long term agreement with NeuralTech, Inc. to further automate its award winning chargeback/retrieval process. **How are these passing references related to the application of a case-based reasoning system for comparison of case information to assist in selection of a mode for resolving a dispute in accordance with and online dispute resolution process?** The Examiner has admitted that these elements of Applicants' claims are not shown in Sloo, and has not demonstrated how the other cited references teach these elements. The passing references to dispute resolution in NeuralTech is meaningless. Moreover, the contract between First of Omaha Merchant Processing and NeuralTech has no bearing on the recited elements of Applicants' claims. As stated above, Applicants' require an objective, reasoned analysis in

---

[9] Cookmeyer, column 6, lines 49-52.

Appl. No. 09/504,159
Amd dated December 10, 2003
Reply to Office Action of September 12, 2003

accordance with the well-established requirements for establishing a prima facie case of obviousness. Subjective conjecturing is not permitted.

The Examiner's statement regarding Burchetta provides clear evidence that Applicants' claim elements have been ignored. With respect to Burchetta, the Examiner refers to passages that describe how the system of Burchetta automatically settles online disputes. With respect to Burchetta, the Examiner states that the automated dispute resolution system automatically determines whether the dispute is resolved in 3 rounds, or, automatically order the first party to order to pay the second party. As another example, in column 8, lines 40-53, Burchetta states the system instantly compares each demand to the settlement offer for each round. If the demand and offer match or are within some pre-established range, the case is settled. These statements relate to <u>automatically resolving a dispute</u>. They do not relate to application of a case-based reasoning system for comparison of case information to assist in selection of a mode for resolving a dispute in accordance with and online dispute resolution process, as recited by Applicants claim 1. These elements of Applicant's claim 1 specifically refer to assisting the parties in selecting a mode for resolving the dispute, not automatically resolving the dispute for the parties.

To establish a prima facie case of obviousness, it is required that the prior art references must teach or suggest <u>all</u> of the claim limitations. When considering Applicant's invention as recited by independent claim s 1, 56 and 64 as a whole, the prior art of record fails the teach or suggest these claim limitations. Consequently, the rejection is erroneous and must be withdrawn.

Claims 2, 7-13, 15-19, 28-29 and 72

As another example, the references fail to teach or suggest automatically selecting one of two modes of resolving the dispute based on the result from the case-based reasoning system, the first mode requiring the online dispute resolution process being driven to assist the parties in resolving the dispute and the second mode involving a human dispute resolution specialist, as required by Applicant's claim 2. As described in the present application, Applicants' online dispute resolution system may support a number of modes to assist the parties in resolving the dispute, including by providing an environment for direct dispute resolution by the parties or by

-22-

utilizing a dispute resolution specialist. Claim 2 recites automatically selecting one of two modes as a result of the case-based reasoning system.

In rejecting claim 2, the Examiner admits that Sloo fails to disclose any of these elements, and again seeks to modify the adjudication-based complaint handling apparatus of Sloo with the network analyzer of Cookmeyer. However, as Cookmeyer describes a network analyzer, it clearly fails to teach or suggest automatically selecting one of two modes of resolving the dispute based on the result from the case-based reasoning system, the first mode being completely driven by an electronic agent and the second mode involving a human dispute resolution specialist, as required by Applicant's claim 2.

The automatic dispute resolution system of Bruchetta, as described above, is irrelevant to Applicants' recited elements regarding automatically selecting modes by which the users resolve the dispute with the online dispute resolution system. Automatically selecting modes of resolution to be carried out by the parties is fundamentally different than trying to automatically resolve a dispute, as described in Bruchetta.

Again, to establish a prima facie case of obviousness, it is required that the prior art references must teach or suggest all of the claim limitations. , the references fail to teach or suggest automatically selecting one of two modes of resolving the dispute based on the result from the case-based reasoning system, the first mode requiring the online dispute resolution process being driven to assist the parties in resolving the dispute and the second mode involving a human dispute resolution specialist, as required by Applicant's claim 2. Consequently, this rejection is erroneous and withdrawal is requested.

Claims 4, 57 and 65

With respect to claims 4, 57 and 65, the Examiner's comments have absolutely no bearing on the recited claim elements. Claim 4, for example, recites executing software to apply a case-based reasoning system to the case information to produce a result for use in selection of a mode of resolving the dispute in accordance with an online dispute resolution process, wherein the case-based reasoning system contains a history file that contains patterns and precedents, and further comprising applying the patterns and precedents to generate an outcome prediction for use in selection of the mode for resolving the dispute.

Appl. No. 09/504,159
Amd dated December 10, 2003
Reply to Office Action of September 12, 2003

In contrast, the Examiner asserts that "Sloo discloses to use artificial intelligence techniques to process the information ... For example, the program may compare all the information known about a dispute to the information known about potential judges and jurors to select the most appropriate judge or jurors to resolve the dispute." The Examiner offers no other evidence. This cited portion of Sloo makes no mention of a history file that contains patterns and precedents. This makes no mention of even looking at previously collected information whatsoever, let alone applying the patterns and precedents to generate an outcome prediction for use in selection of the mode.

Claims 5-6, 58-59 and 66-67

Neither Sloo fails to disclose or suggests presenting an outcome prediction that includes one or more likely outcomes and associated probabilities of occurrence to assist the parties in selecting the mode of resolving the dispute as described, for example, by Applicant's claim 5.

In rejecting these claims, the Examiner's erroneous and inapplicable cites various passages of Sloo for applying neural networks, fuzzy logic or other algorithms for automatically adjudicating a case. As previously stated by the Applicant, this is fundamentally different from a dispute resolution process, as recited in claims.

Claim 11

Claim 11 recites, "wherein the dispute resolution specialist resolves the dispute by transitioning from a mediation stage to an arbitration stage." In rejecting claim 11, the only evidence introduced by the Examiner from a cited prior art reference is his statement that Sloo discloses "to allow either party to appeal a decision that was rendered using either of the three previous settlement options." Again, this statement is is entirely unrelated to the elements of claim 11.

Claim 14

The Examiner continues to rely on the combination of Sloo with Burchetta in an effort to establish the obviousness of claim 14. Further, it appears that the Examiner continues to misunderstand either the scope of Burchetta or the recited elements claim 14. In particular, claim

-24-

14 requires creating a contract between the one or more parties stating the willingness to abide by a <u>recommended</u> resolution, i.e., <u>after the resolution is proposed to the parties</u>.

In rejecting claim 14, the Examiner generally refers to a users agreement of Sloo "to encourage the users to file complaints." CLEARLY THE USER AGREEMENT OF SLOO IS CREATED <u>BEFORE</u> A RESOLUTION IS PROPOSED, WHICH IS DIRECTLY CONTRARY TO THE LITERAL LANGUAGE OF CLAIM 14. In fact, the user agreement of Sloo is, according to the Examiner, created even before the complaint is filed. This is yet another illustration of how Applicants claim language has been ignored.

Similarly, Burchetta does not disclose or suggest creating a contract between the one or more parties stating the willingness to abide by a <u>recommended</u> resolution that has been generated by a dispute resolution specialist," as required by claim 14. As argued in the previous Response and Request for Reconsideration, in contrast to this requirement of claim 14, Burchetta discloses that a previously obtained user agreement binds the claimant to settle the claim for the amount specified by the on-line dispute settlement system based on the comparison of demands and offers received from the parties to each other and preestablished conditions.[10]

The portion of Applicants' disclosure quoted by the Examiner is particularly instructive in illustrating the difference between the disclosure of Burchetta and claim 14. "The dispute resolution specialist also generates a final recommended resolution that, <u>once accepted</u> by the one or more parties, is recited in a binding contract between the one or more parties stating a willingness to abide by the final recommended resolution."[11] In other words, the disclosure in Burchetta of a user agreement that binds users to the result of specified by the system <u>before</u> the system reaches the result is <u>directly contrary</u> to the requirement of claim 14 that a resolution first be recommended and <u>then</u> a contract be created accepting the recommended resolution.

The Examiner has again blatantly overlooked elements of Applicant's claims. The references cited by the Examiner, even if combinable, fail to teach or suggest <u>each and every limitation</u> of Applicant's claims, as required by well established principles of patent law to establish a prima facie case of obviousness. This rejection is erroneous and must be withdrawn.

---

[10] Burchetta, column 2, lines 3-17.
[11] Application, page 2, lines 7-11.

Claim 22

Sloo fails to disclose a forum storing data on participation of a buyer or seller in dispute resolution process to resolve electronic commerce disputes in an electronic marketplace. As described by the Examiner, Sloo describes a process for monitoring compliance with a particular judgment, but fails to provide a forum that indicates whether buyers or sellers have agreed to participate in an electronic dispute resolution process for an electronic marketplace, as required by claim 22 as amended. The compliance process described by Sloo only relates to a user's compliance with a judgment, and is unrelated to the elements recited by Applicant's claims. In fact, Sloo is entirely devoid of any teaching or suggestion of a forum that stores data on participation of buyers or sellers in a dispute resolution process. The other references cited by the Examiner do nothing to address this deficiency.

Lack Of Motivation To Modify The Automatic Adjudication System Of Sloo With The Network Analyzer Of Cookmeyer

As described above, in addition to the teaching or suggestion of <u>each and every element</u>, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the automatic adjudication system of Sloo with the network analyzer of Cookmeyer.

It appears that the conclusion of obviousness advanced by the Examiner relies on a motivation plucked directly from Applicants' own disclosure, rather than the prior art. Along these lines, the Court of Appeals for the Federal Circuit has recently stated: "[the] factual question of motivation is material to patentability, and (can) not be resolved on subjective belief and unknown authority."[12] This finding must be based upon substantial evidence, and not subjective musings or conjecture by the Examiner.[13] Deficiencies in the evidentiary record cannot be cured by general conclusions such as "general knowledge" or "common sense."[14] Accordingly, the Examiner cannot rely on unsupported, conclusory statements to close holes in the evidentiary record.[15] Unless the Examiner can establish an evidentiary record based on concrete prior art references that establish that it would have been obvious to a person with

---

[12] *Id.* at 1434.
[13] *Id.*
[14] *Id.*

-26-

ordinary skill in the art to incorporate the features of Applicant's dependent claims, the claims should be allowed.

For at least these reasons, the Examiner has failed to establish a prima facie case for non-patentability of Applicant's claims under 35 U.S.C. 103(a). Withdrawal of this rejection is requested.

Failure to Achieve Applicant's Claimed Invention

When the totality of the Examiner's arguments are viewed, the Examiner generally asserts that it would have been obvious to one skilled in the art to modify the automatic adjudication system in view of the expert system of Cookmeyer to achieve the Applicant's claimed invention. However, the Examiner fails to appreciate that Sloo describes an automated, networked judicial system that seeks to replace or otherwise automate the functions of the judge and the jury. **Thus, even if the modifications proposed by the Examiner were achieve, the resultant system would still be entirely different from Applicant's claimed invention.**

As emphasized by the Applicant, and as is made clear by the differences discussed above between Applicant's claims and the cited references, Applicants' system applies historical data through manual or automated processes to facilitate online-dispute resolution processes. Sloo conversely claims the ability to create some form of "case law" or generally accepted "judgments" based on very impractical and vague reference to other data. Applicants' system uses precedents to aid parties recognize fairness and come to a mutually agreeable settlement, and does not utilize data to form a judgment. Rather, Applicants' system utilizes historic data to present reasonable alternatives to help parties better articulate their issues, help parties recognize compromise, and move parties toward mutual agreement. Moreover, substantial evidence of success is set forth below that demonstrates how the described and claimed processes of the present application is effective at both of these novel processes: helping online parties communicate and identify a fair resolution in a self-service manner through the use of presenting historic relevant data, and achieve the same with the assistance of a dispute resolution specialist.

Even if Sloo were modified in accordance with the other cited references, the resulting system would still focus on automatically adjudicating cases, and would not achieve an online

---

[15] Id.

-27-

dispute resolution system that has, for example, practical use in electronic commerce, e.g., online marketplaces

Objective Evidence and Secondary Considerations

In their previous response, Applicant's submitted a declaration describing objective evidence and secondary considerations, such as commercial success, which __must__ be considered by the Examiner in every case in which they are presented.[16] The Examiner failed comment on, let alone consider, the evidence set forth by the Applicant.

In particular, to aid the Examiner in appreciating the novelty and non-obviousness of Applicant's claimed inventions, Applicants submitted a declaration from Mr. Steven D. Abernethy, Chief Executive Officer, President and Co-founder of SquareTrade, Incorporated ("SquareTrade"), the assignee of the present application.

In summary, the declaration submitted detailed evidence that:

1. Demonstrated the complete inapplicability of the cited prior art with respect to online dispute resolution processes and systems claimed by the Applicant;

2. Further distinguished Applicant's claimed invention from the systems described by the cited prior art;

3. Offered substantial evidence of commercial success having a direct nexus with Applicant's claimed invention;

4. Offered substantial evidence of long-felt and unsolved need in industry that was addressed by Applicant's claimed invention; and

5. Offered substantial evidence of industry recognition for awards for pioneering innovation in the area of online dispute resolution, as described and claimed in the present application.

The nature and considerable amount of evidence and secondary considerations offered in the submitted declaration was directly relevant to the issue of non-obviousness before the Examiner. Therefore, the Examiner must give "substantial weight" to this evidence, as set forth by the Supreme Court. As this evidence clearly demonstrates the non-obviousness nature of

---

[16] MPEP 716.01.

Appl. No. 09/504,159
Amd dated December 10, 2003
Reply to Office Action of September 12, 2003

Applicant's claimed invention, withdrawal of the rejections under 35 U.S.C. 103(a) is required.
Applicants request consideration of this evidence.

New Claims:

Applicant has added claims 93-108 to the pending application. The applied references
fail to disclose or suggest the inventions defined by Applicant's new claims, and provide no
teaching that would have suggested the desirability of modification to arrive at the claimed
inventions. No new matter has been added by the new claims.

CONCLUSION

All claims in this application are in condition for allowance. Applicant respectfully
requests reconsideration and prompt allowance of all pending claims. Please charge any
additional fees or credit any overpayment to deposit account number 50-1778. The Examiner is
invited to telephone the below-signed attorney to discuss this application.

Date: By:

December 10, 2003   _[signature]_
SHUMAKER & SIEFFERT, P.A.
8425 Seasons Parkway, Suite 105   Name: Kent J. Sieffert
St. Paul, Minnesota 55125   Reg. No.: 41,312
Telephone: 651.735.1100
Facsimile: 651.735.1102

-29-

SQUARE TRADE

Presentation and Demonstration of SquareTrade Online Dispute Resolution

Serial No.: 09/504,159

Art Unit: 3629

January 20, 2004

Attendees:

<u>**USPTO**</u>
John Weiss - Supervisor
Naresh Vig - Examiner

<u>**SquareTrade:**</u>
Steve Abernethy - President & CEO
Cara Cherry Lisco - VP Dispute Resolution Services, Co-inventor
Kent Sieffert – Principal, Shumaker & Sieffert, P.A. (ST Representative)

Proposed Agenda

- **Context Leading to SquareTrade**

- SquareTrade Overview & Evidence of Success

- Differentiators from Cited Prior Art

- SquareTrade system/methods details tied to claims

New Context for Dispute Resolution in Global Ecommerce

New Ecommerce Context for Disputes	New Requirements
Global e-commerce • Crosses legal jurisdictions • No globally relevant law or authority • Traditional recourse systems unpractical and ineffective	• <u>Courts or judgment-based systems are ineffective</u> • Conciliation-based resolution methods allow for agreement without defining a "local" law • Illegal to pre-bind consumers in many locations
Large global online marketplaces • High volume of "low" value transactions • Small & unknown sellers • Anonymity and distrust • Marketplace do not get in the middle of disputes	• New systems required to build trust in online setting • Need for accessible recourse that can "cross" geographic and time barriers • Need for managing high numbers of disputes • Need for cost effective solution proportional to value of transactions (e.g., cannot be $300/hr lawyer)

Dispute resolution history related to online issues/processes

Mid-1990's	• **Academics discuss "electronic dispute resolution"**
	  – "Processes" limited to humans performing traditional roles remotely (e.g., decision or judgment making on issues sent to adjudicators via email or for an online issue)
	  – Focus on new limitations of cyberspace,e.g., jurisdictional & enforcement limitations
	  – NO discussion of new systemization required for high volume and global disputes that have yet to emerge (e.g., large online markets are only emerging concept at the time)

1998/99	• **Insurance related dispute resolution** (online process for offline dispute)
	  – Apply online "split the difference" software process for offline disputes (monetary only)
	  – cybersettle.com files for patent August 1998

1999/00	• **Domain Name Arbitration** (offline arbitration of online name disputes)
	  – Internet Corp. for Assigned Names and Numbers creates arbitration rules in Oct 1999 (e.g., who should own <u>www.ford.com</u>).
	  – No online processes/systems, just email and remote arbitration by humans

2000	• **SquareTrade launches world's first Online Dispute Resolution system for ecommerce, integrated in eBay's online marketplace (2/28/00)**
	  – Integration of ODR system into online marketplaces and ecommerce
	  – Processes & systems to intelligently help parties select the modes of resolution
	  – Processes & systems to facilitate (self-service) party-driven resolution of disputes
	  – Integration of global network of dispute resolution specialists into the ODR system

Proposed Agenda

- Context Leading to SquareTrade

- **SquareTrade Overview & Evidence of Success**

- Differentiators from Cited Prior Art

- SquareTrade system/methods details tied to claims

Evidence of Commercial Success:
Integration into leading global online marketplaces

SquareTrade innovation includes providing easy and visible access to a globally relevant ODR system where ecommerce transactions occur & where consumers look for help
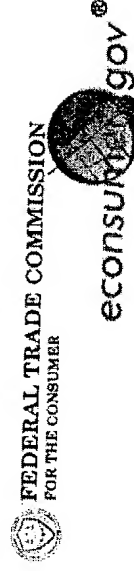
Examples include:

Global online marketplaces and online search tools
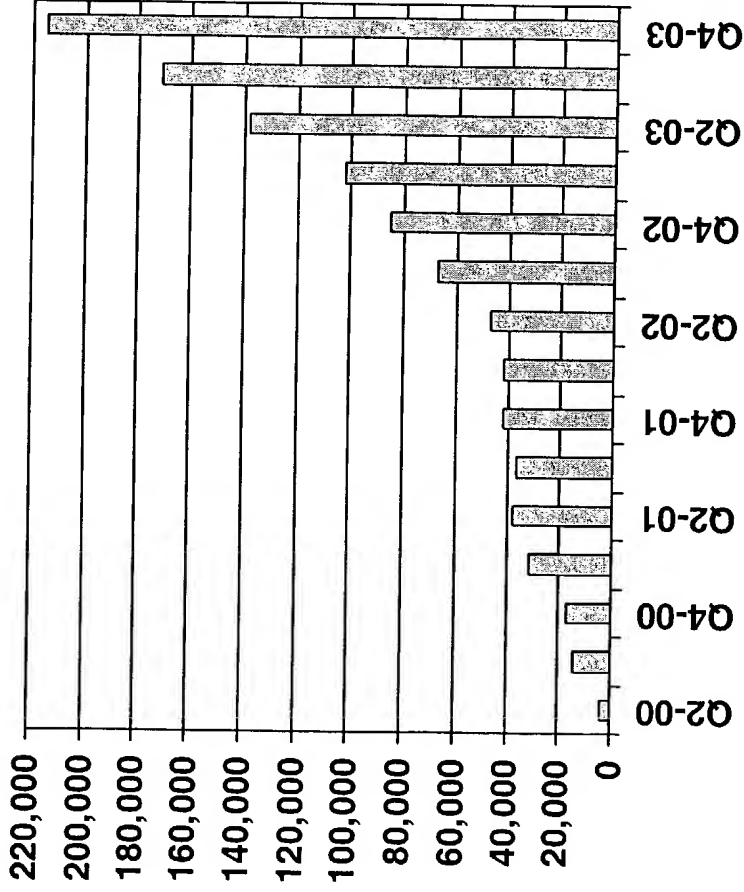
Real Estate Associations

Government consumer protection projects

Individual online sellers via merchant reliability seal

Evidence of Commercial Success:
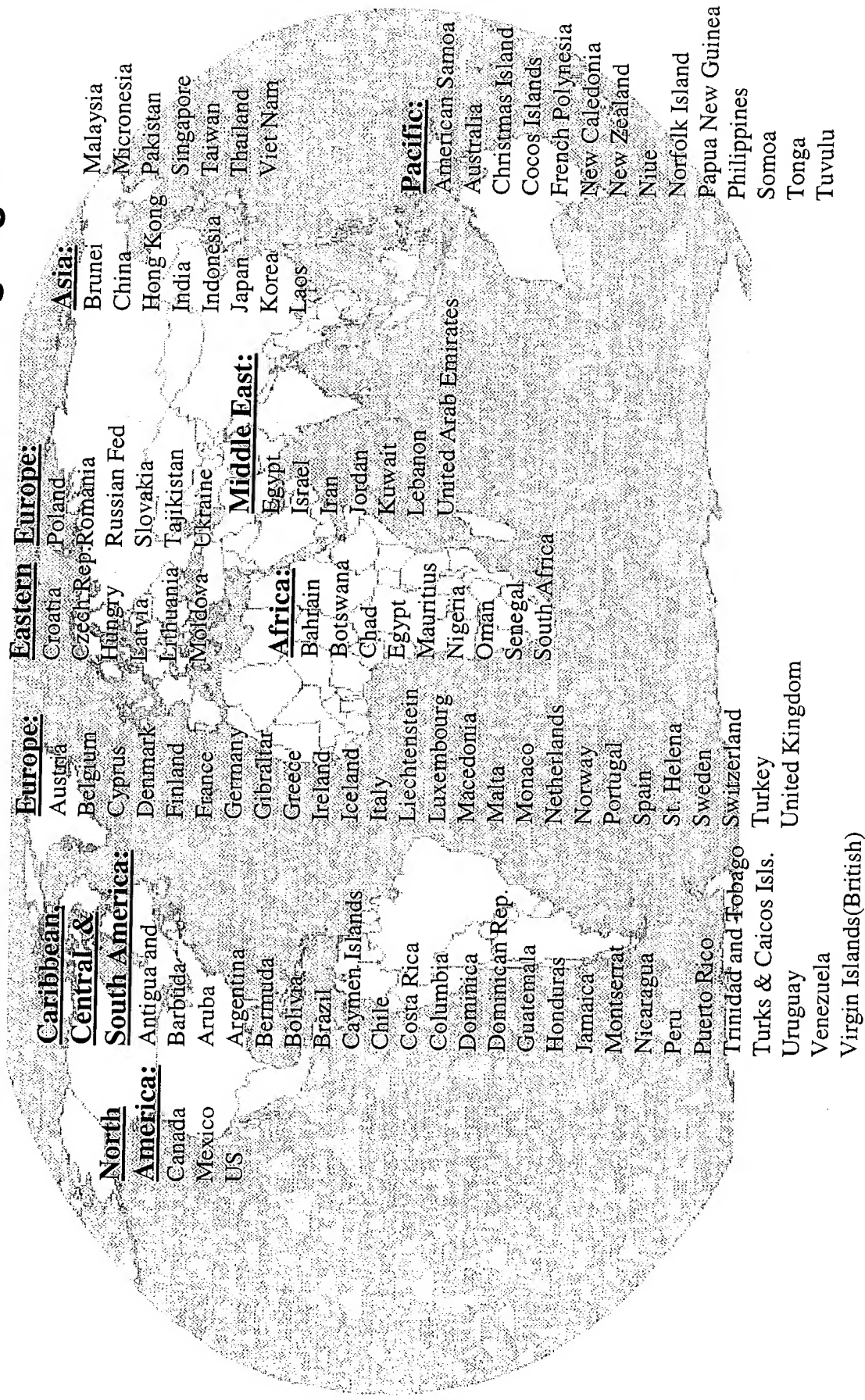## Rapid adoption & high success rates of SquareTrade ODR system

- >1 million online disputes handled
- >50% cases settling through self-service conciliation**
- >80% cases successfully resolve once entering mode of facilitated resolution**
- >2,500 new disputes filed daily
- Concurrently managing over 40,000 cases

** Where both parties participate

NEW online disputes filed with SquareTrade per quarter

Evidence of Commercial Success:
SquareTrade ODR used across 120 countries in 5 languages

North America:
Canada
Mexico
US

Caribbean, Central & South America:
Antigua and Barbuda
Aruba
Argentina
Bermuda
Bolivia
Brazil
Caymen Islands
Chile
Costa Rica
Columbia
Dominica
Dominican Rep.
Guatemala
Honduras
Jamaica
Monserrat
Nicaragua
Peru
Puerto Rico
Trinidad and Tobago
Turks & Caicos Isls.
Uruguay
Venezuela
Virgin Islands(British)

Europe:
Austria
Belgium
Cyprus
Denmark
Finland
France
Germany
Gibraltar
Greece
Ireland
Iceland
Italy
Liechtenstein
Luxembourg
Macedonia
Malta
Monaco
Netherlands
Norway
Portugal
Spain
St. Helena
Sweden
Switzerland
Turkey
United Kingdom

Eastern Europe:
Croatia
Czech Rep
Hungary
Latvia
Lithuania
Moldova
Poland
Romania
Russian Fed
Slovakia
Tajikistan
Ukraine

Middle East:
Egypt.
Israel
Iran
Jordan
Kuwait
Lebanon
United Arab Emirates

Africa:
Bahrain
Botswana
Chad
Egypt
Mauritius
Nigeria
Oman
Senegal
South Africa

Asia:
Brunei
China
Hong Kong
India
Indonesia
Japan
Korea
Laos
Malaysia
Micronesia
Pakistan
Singapore
Taiwan
Thailand
Viet Nam

Pacific:
American Samoa
Australia
Christmas Island
Cocos Islands
French Polynesia
New Caledonia
New Zealand
Niue
Norfolk Island
Papua New Guinea
Philippines
Somoa
Tonga
Tuvulu

Evidence of Commercial Success:

Global network of online dispute resolution specialists

- Over 200 exclusive dispute resolution specialists
- Consumer can access a professional mediator for as low as $10
- Automatically assigning >300 new cases per day to dispute resolution specialists based on skills and availability
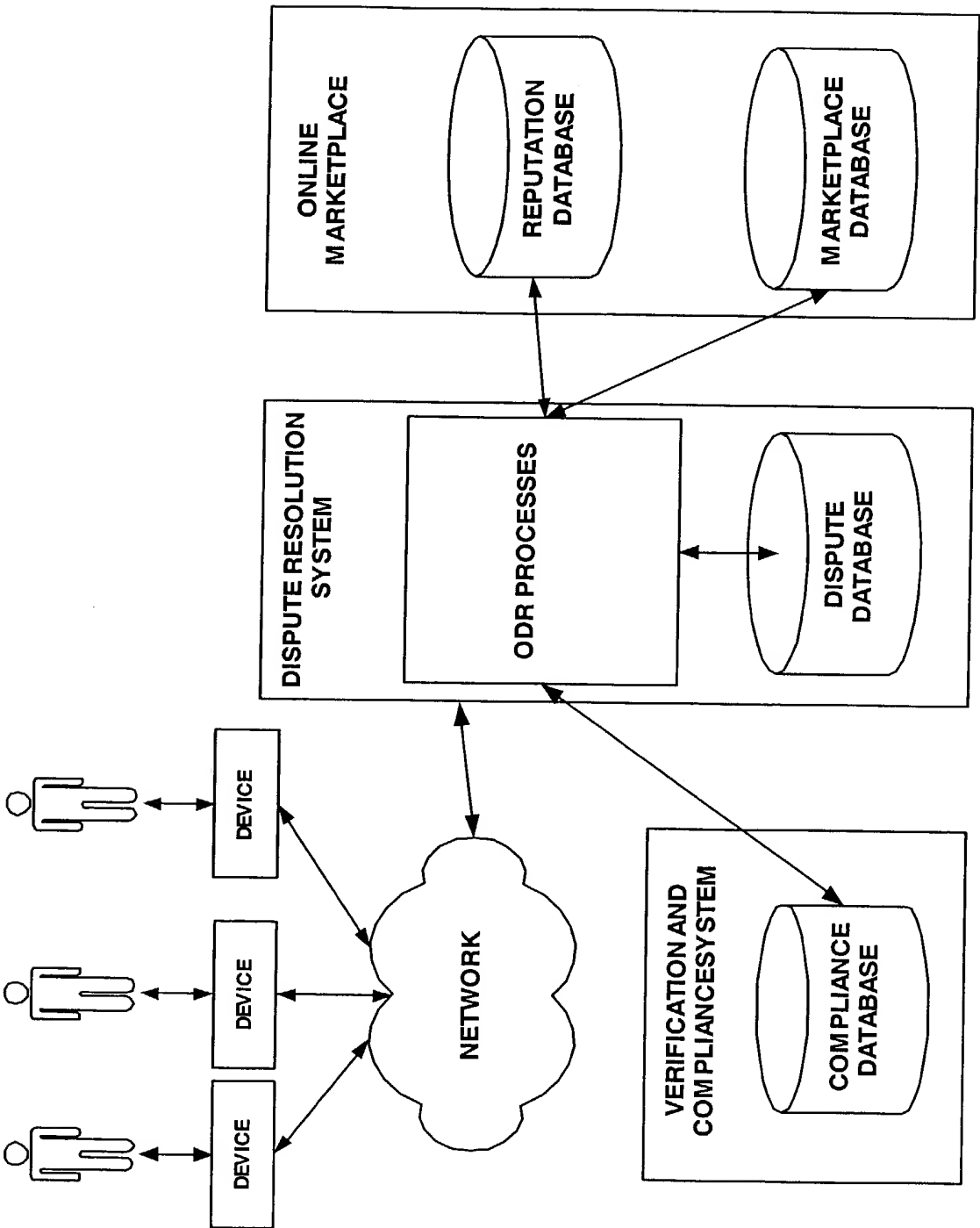
International Recognition as ODR Innovator and Leader

- CPR Institute for Dispute Resolution
  "2002 Outstanding Practical Achievement Award"
- World Economic Forum: *"Technology Pioneer" in 2001*
- Invited speaker to global policy groups, including:
  - Federal Trade Commission
  - European Union
  - UN Economic Commission for Europe
  - UN Conference on Trade and Development for ecommerce in Africa
  - OECD
  - Global Business Dialogue for Ecommerce

Evidence of Commercial Success & Long-felt Unsolved Needs:

Evidence of ODR Increasing ecommerce

% Increase in Transactions / User

SquareTrade study found that 15% more transactions post-dispute were engaged in for a buyer involved in a participated dispute than for buyers in cases where no response on eBay.

17.4%

1.8%

Non-Participated Disputes

Participated Disputes
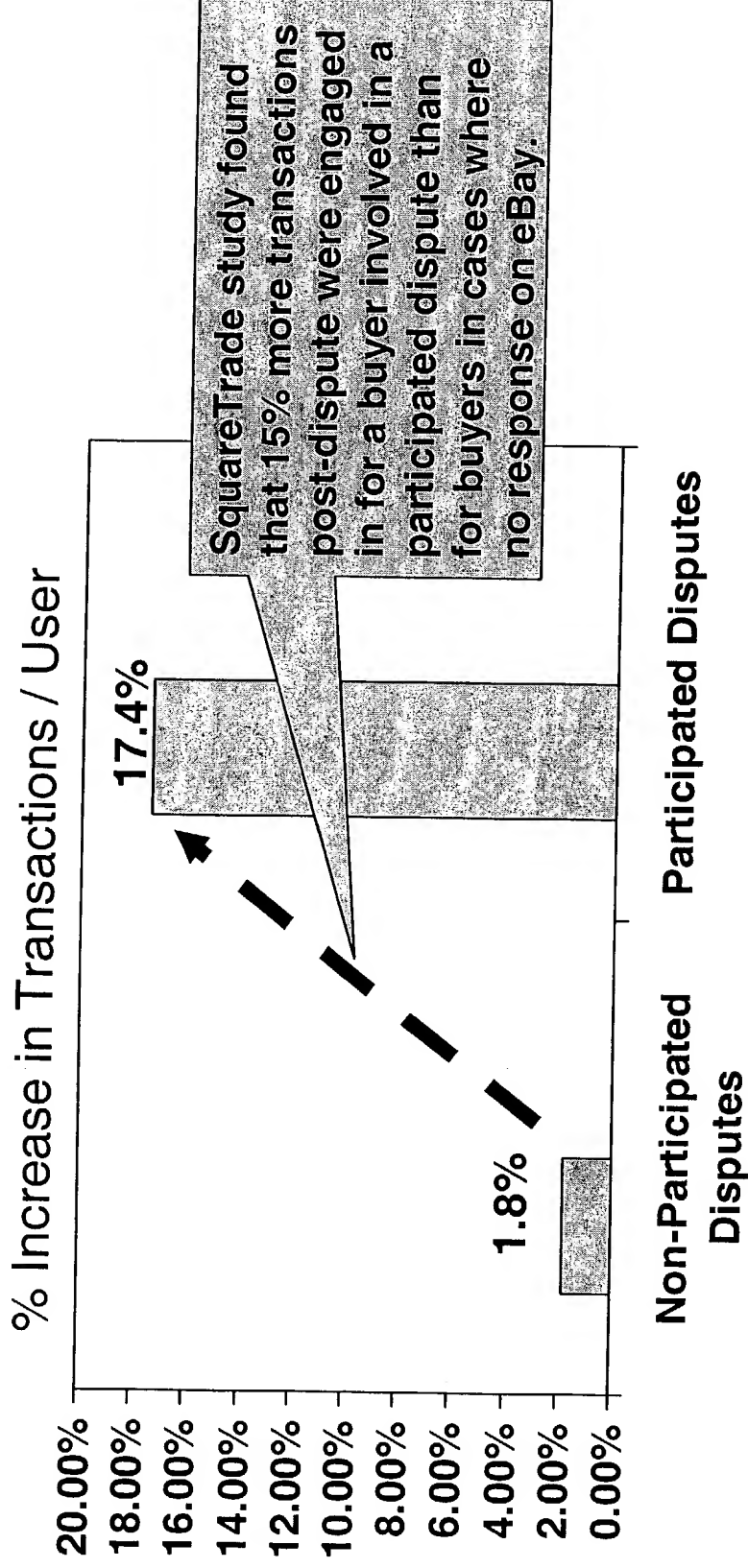
SquareTrade ODR System Overview

ONLINE MARKETPLACE

REPUTATION DATABASE

MARKETPLACE DATABASE

DISPUTE RESOLUTION SYSTEM

ODR PROCESSES

DISPUTE DATABASE

DEVICE

DEVICE

DEVICE

NETWORK

VERIFICATION AND COMPLIANCE SYSTEM

COMPLIANCE DATABASE

SquareTrade ODR process flow overview

1. Complainant Flow: Allow customized structured problem definition (focusing on compromise)

Find & Explain Online Dispute Resolution

Identify: Filer Role, Marketplace, Transaction Detail Payment Type, etc

Validate Information with Marketplace if Possible

Identify Issues (tailored to role, issues, place, etc. based on precedence)

Identify Resolutions (tailored to role, issues, place, etc. based on precedence)

Identify mode of Resolution as desired or appropriate (request payment if required)

2. Communication Processes:

Tailored automated communication of parties to update & gain participation with repetition as required

Initiate non-response notices if appropriate for reputation disputes

3. Respondent Flow: compromise framework to self-resolve

Explain ODR and context/ encouragement to participate

Identify: Respondent & perspective of Issues (tailored to issue, role, place)

Identify Respondent Resolutions (tailored to issue, role, place)

Agree on mode of Resolution
- Self-resolve
- Mediator
- Other
(request payment if required)

4. Mode Selection/Suggestion:

Process case according to responses, parties' preferences, dispute types, Marketplace rules, including:
- Non-response process
- Self-service Direct negotiation
- General Mediation
- Reputation related dispute processes
- Other specialized mediation/ADR
- Compliance escalation
- Insurance processes

5. Dispute Resolution Flow: Escalating processes specific to dispute

Tailored automated Communication w/Parties, e.g.,
- Reminders
- Billing
- Escalation

Secure Case Page and communication platform for parties to access

Route case to correct process
- Self-resolve
- Mediator
- Other
(request payment if required)

Interface w/programs based on Resolution (e.g., Seal Program, Seller guarantees)

Precedence of closed cases used to improve resolution processes

6. Communicate w/External Programs: e.g., Marketplaces

Unique Online Dispute Resolution Database: >1mm historic cases

Store key factors by case, e.g.,

- Marketplace/Source
- Roles (e.g., complainant = buyer)
- User profiles (e.g., repeat user, seal member)
- Location of parties
- Item details (e.g., goods/service, category, price, time since purchase)
- Mode of payment
- Issue type(s)
- Resolution(s) per issue
- DR-Mode where settled (or not)
- Time in each mode
- Resolution Specialist involved

DATABASE OF HISTORIC ODR CASES

SquareTrade analyzes historic data to initiate dynamic ODR processes

Marketplace, e.g.
- Rules
- Issues
- Category specific

Users, e.g.
- Roles (e.g., buyer)
- Language
- Relationship (e.g., Seal member)

Issue Type, e.g.
- Goods/Services
- Dispute issue (e.g., item damaged;user reputation

Position, e.g.
- Willingness to participate
- Degree of initial agreement

Dynamic Processes & Resolution Modes

- Communications with parties
- User interface content
- Suggested issues & resolutions
- Payment timing
- Case routing sequence between appropriate dispute resolution mode, e.g,
  - Direct Negotiation
  - General Mediation
  - Specialized Mediation Process
  - Other process (e.g., feedback removal, fraud investigation, insurance claim)
  - Seal member compliance process

Integration, Visibility and Access in Online Marketplace

ebY®

home | pay | sign out | services | site map | help ⦵   Powered By **IBM**

| Browse | Search | Sell | My eBay | Community |

BEST EBAY DEALS!
Dell Laptops from $550

[Search]
☐ Search titles and descriptions

Advanced
Search

SQUARE TRADE
CERTIFIED · CLICK HERE

Dispute Resolution Overview

- What is online dispute resolution?
- What are the benefits and costs of this service?
- How can I start the dispute resolution process?

What is online dispute resolution?

Online dispute resolution is a new, unbiased method that can help you resolve disputes that may arise involving eBay transactions. SquareTrade, eBay's preferred dispute resolution provider, offers two services: a free web-based forum which allows users to attempt to resolve their differences on their own or if necessary, the use of a professional mediator.

What are the benefits and costs of this service?

All eBay buyers and sellers can use this online dispute resolution service. It's free to file a complaint. SquareTrade will contact and encourage the other party to respond to your case.

Easy to find ODR in online marketplace

Dynamic display of user ODR compliance in online marketplace

Example eBay listing

SquareTrade / eBay listing screenshot showing an iPod auction and SquareTrade Verified Seal Member Profile.

Verified Seal Member Profile 1/16/04 11:29 AM

eBay ID: roger-rcr

A SquareTrade Seal Member in good standing since 08-08-2002.

- Identity and/or Contact Information Verified.
- Continues to meet strict Seal Membership Criteria.
- Committed to Dispute Resolution and Mediation.
- Item #3071336?95 is backed by SquareTrade's Buyer Protection Policy - up to $250*.

The criteria for SquareTrade Membership.

The SquareTrade S... ong with other factors, can substantially lower t... s of buying online. The Seal is not a guarantee of a ...sful transaction or of a Seller's performance

Contact the Selle...

If you sell on eBay ...

You can apply to become a SquareTrade Seal Member. It is eBay's largest community of trusted sellers - with **1.5 million listings every day** proudly displaying the Seal.

Buyers will feel comfortable buying from you knowing that you are a verified seller and that you will resolve disputes.

Best of all - there is a **30 day free trial** - so no reason to not try.

SEE IF YOU QUALIFY

Take advantage of the 30 day free trial and see how the Seal benefits you.

roger-rcr's Selling Standards

- Disclose pricing, shipping and return policies in a clear and a...
- Disclose contact information, if requested to do so by a buyer...
- Respond to disputes filed and participate in mediation, if buye...
- Commits to meeting SquareTrade Standards (click to learn mo...

Clicking on seal shows user is commitment to ODR and can easily access ODR to file a dispute

Control display on a user's auction listing to show ODR compliance ODR & other factors

Page 15

Online marketplace specific modes of resolution

Working with **ebY**

Home Help

SQUARE TRADE

| SquareTrade Services: | Seal Program | Dispute Resolution | My Seal |

| Overview | Learn More | File A Case | My Cases | Buyer Tools |

Online Dispute Resolution (ODR)

Trouble with a Purchase or Sales?

▲ File a Case

▲ Respond to a Case

▲ Case in Progress

SquareTrade's Dispute Resolution Service helps Buyers & Sellers work things out.

Information for **New Users** ·······▶

Find out how to get **Feedback** ·····▶ **Removed**

ODR processes are dynamic based on many factors

Filing process: Identifying the problem(s)

Example: Buyer in Online Auction

Type of problem:

* (check all that apply)

Feedback Related

- ☑ I would like both of our feedback removed.
- ☐ I would like only the feedback that was left for me removed.
- ☐ I would like only the feedback that I left for the other party removed.
- ☐ Negative feedback being threatened.

Merchandise Related

- ☐ Payment sent but merchandise not received.
- ☑ Damaged merchandise.
- ☐ Incomplete merchandise.
- ☐ Received merchandise late.
- ☐ Merchandise different than described.

Payment Related

- ☐ Returned the merchandise but no refund received.
- ☐ Shipping cost discrepancy.

Other Issues

- ☐ Bid shilling.

Example: Seller in Online Auction

Type of problem:

* (check all that apply)

Feedback Related

- ☐ I would like both of our feedback removed.
- ☐ I would like only the feedback that was left for me removed.
- ☐ I would like only the feedback that I left for the other party removed.
- ☐ Negative feedback being threatened.

Merchandise Related

- ☐ Buyer says damaged merchandise.
- ☐ Buyer says incomplete merchandise.
- ☐ Buyer says that merchandise not received.
- ☐ Buyer says that merchandise different than described.

Payment Related

- ☐ No payment received, did not send merchandise.
- ☐ Sent merchandise but payment not received.
- ☐ Received insufficient payment.

Other Issues

- ☐ Highest bidder not completing auction.

Dynamic based on the case type, the specific problems and resolutions are shown (e.g., today – it is different for real estate case types from buyer-seller issues) and the appropriate case data is captured)

ODR processes help parties see fair and likely solutions

Filing process: Helping identify desired solution

Step 3: Identify Potential Solutions

You have stated the problems listed below:

* What would you consider as a potential resolution or settlement for these problems?
Check all that you would be willing to consider as a resolution. This information will be seen by the other party.

I would like both of our feedback removed.

☐ The other party already agreed to this removal and there is nothing else remaining to occur.

☑ We have agreed to the removal but we are still finalizing the completion of our agreement.

☐ The other party has not yet agreed to the removal but I would like to discuss how to resolve this.

☐ Other. Please enter additional details.

Damaged merchandise.

☐ I would be willing to accept a full or partial refund. Please enter the amount. $

☐ I would like the other party's help to file a shipping insurance claim if possible.

☐ I would like to return the item and I will pay for return shipping.

☑ I would like to return the item and have the other party pay for return shipping.

☐ I would like to exchange the item for another one and would like the other party to pay for the return ship

☐ I would like to exchange the item for another one and I will pay for return shipping.

☐ Other. Please enter additional details.

Tailored flow

Focuses on fairness and compromise

Suggests likely solutions

Monetary & Non-monetary issues

Relates to comparable historic cases

ODR processes help parties see fair and likely solutions

Response process: Helping identify desired solution & compromise

Step 3 – What potential solutions would you consider?

* Check all that apply

The ★ indicates solutions requested by the filer.

Negative or neutral feedback was posted about me.

☐ ★ I would agree to removing the feedback.

☐ Other. Please enter additional details.

Damaged merchandise.

☐ I am willing to give a full or partial refund. Please enter the amount. $ [   ]

☐ ★ I would be willing to help file a shipping insurance claim.

☐ ★ I would be willing to accept the returned item if the filer pays return shipping.

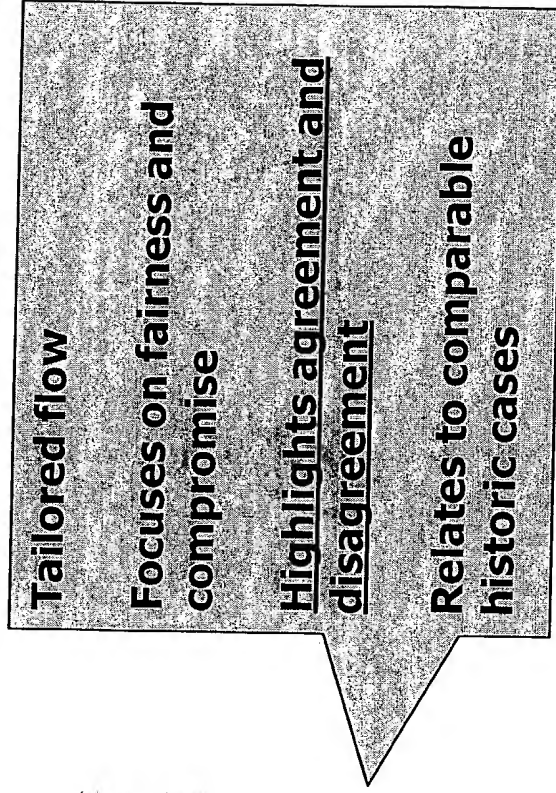☐ I would be willing to accept the returned item and I am willing to pay for return shipping.

☐ I would be willing to exchange the item and I am willing to pay for return shipping.

☐ I am willing to exchange the item for another one if the filer pays return shipping.

☐ Other. Please enter additional details.

Incomplete merchandise.

☐ I am willing to give a full or partial refund. Please enter the amount. $ [   ]

Tailored flow

Focuses on fairness and compromise

Highlights agreement and disagreement

Relates to comparable historic cases

System to help self-settlement or allow parties to change modes

Case Page: Secure, structured, options to proceed and settle

My SquareTrade Case 1251663570

You are using SquareTrade's Direct Negotiation tool to discuss issues and possible solutions.

WHAT WOULD YOU LIKE TO DO NEXT?

M BRING IN A PROFESSIONAL MEDIATOR
Professional mediators help settle your case.
Over 80% success rate!

DN Conduct the Case Yourself (Direct Negotiation)

READ / SEND MESSAGES
Send Evidence
Extend Case   Continue the case for 60 days.
Close Case   If a resolution has been reached.

Enable self-resolution

Ability to Escalate to use a professional DR Specialist

View structured case information.

DETAILS OF MY CASE

Case Number:	1251663570
Order Number:	124560
Case Filed On:	Tuesday, June 03, 2003
Who Filed the Case:	Steve Abernethy <steve@squaretrade.com> buyer
Who's the Respondent to the Case:	Steve Sony <steve@transecure.com> seller
Description of Goods:	Sony VAIO Z1 laptop
Dollar amount of case:	$2250
Transaction Date:	Thursday, January 23, 2003

System to facilitate self-settlement

SQUARE TRADE

Square Trade Services: | **Seal Program** | **Dispute Resolution** | **My Seal**

Overview | Learn More | File A Case | My Cases | Prevent Disputes

Direct Negotiation
Welcome ACME, Inc.

You may communicate with Stephanie Brugler by entering a message below.

Please enter your message in 4,500 characters or less.

◄ ▦ ▶

0   Characters remaining.

[post message]

Please keep in mind that all communications in this process are confidential. Please refer to the User Confidentiality Agreement for details.

Sender	Date	Message
mae@yahoo.com	Mon, Dec 11, 2000 4:08 PM	To the best of my knowledge, there was nothing wrong with the chair when I sold it to Stephanie. I understand now that the chair probably smelled when I sent it, however, I was unaware of this problem and did not knowingly sell a musty chair. When something is sold "as is," the buyer is taking a risk on what is received. Unfortunately I really don't feel that there is anything I can do for Stephanie. I understand that the chair was sold "as is," but I believe that the seller should have let me know if there was anything unusual (like a musty smell) about the chair. I asked this question prior to placing my bid and she said there wasn't anything unusual about the chair's condition.
stephanie@hotmail.com	Mon, Dec 11, 2000 3:57 PM	

back to the Case Page

Accessing network of Dispute Resolution Specialists

DR Specialist communication tool

Case #: 10565₁₉₉₉₉₉
Merchandise:
Value: $600000

Send a message to:

○ Case Filer: **Taber Reiner**
(buyer)

◉ **Both Parties**

☑ Send response reminders?

○ respondent: **Suman Dutta**
(seller)

○ Private Note to Yourself

Please enter it in the area below. Please note that your response must be less than 4500 characters in length.

Dear Ms. Reiner and Mr. Dutta -

My name is Mark Eckstein and I am the SquareTrade mediator who has been assigned to assist you with

4362 Characters remaining.

>> Send Message

Resources

Training

My Profile
Change
Password

Parties View

ODR
Users FAQ

Knowledge
Center

About Us

Partners

Public and private messaging

Training help

Case tools

Calendaring

System to facilitate consensual agreement

Example resolution agreement

Square Trade Services: | **Seal Program** | **Dispute Resolution** | **My Seal**

Overview | Learn More | File A Case | My Cases | Prevent Disputes

🔵 Home ❓ Help ⚡ Log Out

There have been **previous proposed resolutions in this case. Click here to view the resolution history.**

The following proposed resolution is awaiting your review:

This settlement agreement, agreed to on July 30, 2001, between Taber Reiner and Suman Dutta, is intended to eliminate any obligations between the parties regarding any disputes between the parties arising from kljagih sdladfhh sadlkf sdjhilhgja saklfhijhlj aishhhgsd ldsflkdasf......

Please state whether you accept this resolution. If you and the other party both accept it, it will be a binding agreement. Type your name into the text field that corresponds to your choice. If you represent another entity please add "on behalf of" and indicate who you represent.

⦿ | Taber Reiner _____ accept this agreement on July 27, 2001 at 12:47:59 Pacific Time.

○ I, | Taber Reiner _____ choose to continue mediation on July 27, 2001 at 12:47:59 Pacific Time.

If you choose to continue mediation, please explain why below. The information will be sent to your mediator for response.

[text box]

[Submit!]

Physical record

Voluntary: accept or continue in process

Authoritative nature

Page 23

Tools to manage global network of Dispute Resolution Specialists

DR Specialist: tools drawing from database of historic cases

SQUARETRADE Network

My Cases

Resources

Training

My Profile

change

password

Parties View

ST Home

the Seal

ODR

Users FAQ

Knowledge

Center

About Us

Partners

Welcome to the STN Help Page!

If you can't find the answer to your question below, or if you have any comments or suggestions, please send us an email at mediators@squaretrade.com.

Frequently Asked Questions from:
- STN Mediators
- SquareTrade Users

Some STN Mediator Tools
- SquareTrade Ethics Policy
- Sample Introductory Email
- Sample Introductory Email for Feedback Only Cases
- Sample Resolution Email
- Sample Settlement Agreement
- Sample Settlement Agreement for Feedback Removal Only
- Manual Feedback Removal
- Sample Messages for Non-Responsive Parties
- Sample Language Chart

Some STN Policy Documents
- STN Criteria for Evaluating Mediators in Training and Active Mediators

Some STN Legal Documents
- STN Mediator Confidentiality Agreement
- STN Mediator Agreement

Tools to manage global network of Dispute Resolution Specialists

DR Specialist Administrator Tool: Training, assignment, quality control

SQUARETRADE Network

SquareTrade Network Home | SquareTrade Home

send e-mail announcements to STN | change password | reporting | logout
close/re-open/delete case | change user's email address | change case data
Super User Utility

SquareTrade mediator Detail for Cara Cherry

mediator status
mediator feedback received
case history
answers from phase 1
comments on phase 3
profile

Set SquareTrade mediator status
(currently "active"):

○ issue a password to this SquareTrade mediator
   (allows training and simulation)

○ activate/approve this SquareTrade mediator

○ deactivate/disapprove this SquareTrade mediator

   submit

SquareTrade mediator will be notified immediately of your decision via e-mail

SquareTrade mediator feedback received:

Ready to Simulate? ☐

Simulations Completed: none ▾

Training Approved? ☐

All Vetting Forms Received? ☐

FCRA Forms Received? ☐

Social security references checked? Not Submitted ▾

Professional references checked? Not checked ▾

Contract received? ☐

W8/W9 Forms Received? ☐

SquareTrade Innovation in Online Dispute Resolution

1. Integration of conciliation-based ODR system into online marketplaces and ecommerce

2. Processes and systems to intelligently help parties select the modes of resolution for resolving ecommerce disputes

3. Processes and systems of conciliation-based ODR to facilitate (self-service) party-driven resolution of ecommerce disputes

4. Systems to train, manage and integrate a global network of dispute resolution specialists into the conciliation-based ODR system

- Addressing new needs of ecommerce and online markets
- Easy global access, 24/7
- Affordable process for low value transactions
- Speed of resolution
- Visibility of user commitments and compliance to ODR
- Dynamic personalized ODR processes relevant to user & issues
- Self-service resolution processes replacing need for professional assistance
- Ability to draw from common cases to drive DR processes
- New access to resolution professionals, without geographic or time constraints
- Concurrent high volume case management

Proposed Agenda

- Context Leading to SquareTrade

- SquareTrade Overview & Evidence of Success

- Differentiators from Cited Prior Art

- SquareTrade system/methods details tied to claims

Recent history of SquareTrade Patent Application 09/504,159

- Filed February 15, 2000

- First Office Action 4/25/02

- Third Office Action 2/13/03

- Amendment submitted 6/13/03

  - Included declaration of factual evidence of commercial success and other secondary considerations

- Fourth Office Action (non-final) 9/12/03

  - Declaration not considered

  - 101 Rejection

  - 103 Rejection over "Sloo" in view of "Burchetta" and in further view of NeuralTech, Inc. and Cookmeyer II

- Amendment submitted 12/10/03

- Currently under review

Sloo (the primary reference)

Describes an automated complaint handling system that applies Artificial Intelligence to automatically render judgment

> The program automatically reviews the complaint data record and enters judgment. Col. 9, ll. 57-58.

> The complaint handling apparatus may, through artificial intelligence processing, identify offending behavior and outlaw it . . . . " Col. 15, ll. 62-65.

Detailed example of automatic determination of speeding violation and rendering of punishment. Col. 17.

Does not describe systems and processes for assisting parties in resolving dispute via dispute resolution.

After filing complaint, complaint handling system automatically renders a verdict. Otherwise party may initiate judge/jury proceedings or directly negotiate. Fig. 7; col. 7, ll. 28-40.

Effective integration in ecommerce requires conciliation-based resolution processes and systems not judgment-based automated adjudication

Conciliation Principles	Adjudication (Judgment) Principles
Fairness, compromise & agreement	Rules of law
Mutual agreement	Judgment/decision
Compromise and agreement	"Prevailing" and "losing" parties
No settlement unless agreement	Judgment need not be agreed upon
Mediator/facilitator	Judges/jury/adjudicator
Broadly appropriate for ecommerce: Relevant across legal boundaries as does not require a law or rule set and does not bind users unless they agree	Largely inappropriate for ecommerce: Unrealistic to apply and enforce a common law or rule-set across legal jurisdictions and have both parties accept and follow through

SquareTrade Differentiation from Prior Art

SquareTrade Principles	Principles of Prior Art

1. Integration of conciliation-based ODR system into online marketplaces and ecommerce
 	
 • Integrated mechanisms for accessing and invoking ODR processes and system
 • Processes and procedures for securing and indicating ODR <u>pre-commitments</u> and <u>compliance</u> of specific users within marketplace
 • Conciliation-focused processes
   - All resolution agreements consensual
   - Processes focus parties on fairness
 • Not focused on rendering judgments, as low relevance or enforceability in ecommerce
	Sloo
	 • <u>Judgment-focus = no relevance to ecommerce</u>
	   - Focus on "prevailing" or "losing" parties
	   - Publicly searchable database = confidentiality breach
	 • Fails to discuss online marketplaces or ecommerce
	
	 Burchetta
	 • <u>Monetary-only</u>, hence low relevance in ecommerce as almost always non-monetary issues
	 • No suggestion on how to find or any fit into e-commerce
	 • Binding agreement specific to <u>pre-agreeing to narrow monetary result and not non-monetary/qualitative issues</u>

SquareTrade Differentiation from Prior Art

SquareTrade Principles	Principles of Prior Art
2. Processes and systems to intelligently help parties select the mode of resolution for resolving ecommerce or online disputes • Dynamic processes to assist parties in selecting mode of resolving case based on historic cases with comparable issues or factors • Escalating processes to assist parties resolve issues (e.g., direct-negotiation, mediation, mediator recommendation, escalate to adjudication) • Plurality of confidential communication modes • System to store case data for comparison	**Sloo** Adjudicated judgments (automation/judge/jury) • Fails to teach any mode of resolution other than that involving adjudication and the rendering of binding judgments/decisions • Discussion of vague use of "artificial intelligence" fails to disclose use of a history file to assist mode selection, self-settlement, outcome predictions, or other conciliation processes. (as not about conciliation!) **Burchetta** "split the difference process" • Fails to teach how to select an alternative mode (as it only has one set process), nor how to handle more than monetary dispute **Cookmeyer** • Expert system for analyzing network protocols which fails in any way to teach how to comparing historic case information to assist in mode selection of dispute resolution **NeuralTech** • Marketing brochure which fails in anyway to disclose how to compare historic case information to assist in mode selection of dispute resolution

SquareTrade Differentiation from Prior Art - continued

SquareTrade Principles	Principles of Prior Art
3. Systems and processes of conciliation-based ODR to facilitate (self-service) party-driven resolution of ecommerce or online disputes • Processes to help parties compare new cases to common historical cases stored by system to assist in mode processes • Auto- or assisted selection of resolution modes • Visual <u>tools</u> to help parties see fair resolution options • Mechanisms for enabling personalized resolution processes • Settlement-focused resolution processes that encouraging settlement in an automated fashion	**Sloo** • Fails to teach any mode of resolution other than that involving adjudication and the rendering automated binding judgments/decisions • Because of judgment focus, automation focused on auto delivering "decisions" not helping parties mutually resolve • Fails to disclose how historic cases can be used to select mode of current cases

Page 33

SquareTrade Differentiation from Prior Art - continued

SquareTrade Principles	Principles of Prior Art
4. Systems to train, manage and integrate a global network of dispute resolution specialists into the conciliation-based ODR system • Messaging tools • Case development tools • Common case history tools • Auto assignment tools • Precedent and comparison analysis on relevant case history to assist in selection of mode and encourage settlement	**Sloo** • No argument cited prior art **Burchetta** • No argument cited prior art

Proposed Agenda

- Context Leading to SquareTrade

- SquareTrade Overview & Evidence of Success

- Differentiators from Cited Prior Art

- SquareTrade system/methods details tied to claims

SquareTrade Differentiation from Prior Art

SquareTrade Principles	Sample Claim Language	Slide
1. Integration of conciliation-based ODR system into online marketplaces and ecommerce • Integrated mechanisms for accessing and invoking ODR processes and system • Processes and procedures for securing and indicating ODR pre-commitments and <u>compliance of specific users within marketplace</u>	• "method for resolving an ecommerce dispute" (1) • "storing data on participation of a buyer or seller in dispute resolution process to resolve electronic commerce disputes in <u>an electronic marketplace</u>." (22) that "relates to compliance of a participant to the final decision made in the resolution of the dispute" (25) and "highlighting an offender in the dispute resolution system"(26) • "provided as an insurance covering transactions" (28) • "showing visible indicia to indicate membership in the dispute resolution process" (30) • "indicating within the electronic marketplace website the availability of a dispute resolution system (and) ...enable (marketplace) users...to access the DR system from the electronic marketplace" (101) • "displaying media objects to indicate which of the users are members" (103) and "controlling the media objects based on data maintained by the DR system that describes use of the DR system by the users" (104) "based on participation...and compliance with results of the DR process" (105)	1-25

• Conciliation-focused processes
  - All resolution agreements consensual
  - Processes focus parties on fairness
• Not focused on rendering judgments, as low relevance or enforceability in ecommerce
	• "<u>assist</u> parties in resolving the dispute" (1)
	• "<u>recommended</u> resolution" (12) "is <u>accepted</u> by the one or more parties" (13)
	• "contract...stating the <u>willingness to abide</u>" (14)
	• "providing visual cues to <u>highlight agreement</u>" (20)
	• "highlighting areas of agreement and disagreement" (21)
	• "a direct <u>negotiation</u> mode...a <u>conciliation</u> mode that allos parties to negotiate the resolution to the dispute through a mediator...and a mediation mode that allows a mediator to propose a resolution" (93)
		35-42

SquareTrade Differentiation from Prior Art

SquareTrade Principles	Sample Claim Language	Slide
2. Processes and systems to intelligently help parties select the mode of resolution for resolving ecommerce or online disputes	• "executing software to apply a case-based reasoning system to the case information to produce a result for use in selection of a mode of resolving the dispute…presenting the result…to one or more parties" (1)	8-42
• Dynamic processes to select mode of case based on historic cases with comparable issues or factors	• "automatically selecting one of two modes…driven by an electronic agent…and a human dispute resolution specialist" (2)	
• Escalating processes to solve issues (e.g., direct-negotiation, mediation, mediator recommendation, escalate to adjudication)	• "presenting outcome prediction…to assist the parties in selecting the mode of resolving the dispute" (5)	
• Plurality of confidential communication modes	• "plurality of communication modes" (15) "private messaging mode…only between that one of parties and the DR specialist" (16)	
• System to store case data for comparison	• "providing visual cues to highlight agreement" (20)	
	• "highlighting areas of agreement and disagreement" (21)	
	• "software to compare the case information to facts of previously resolved disputes" (56)	
	• "automatically selecting a communication mode based on the" mode of resolving the dispute (72)	
	• "automatically select a resolution mode comprising on of (i) a direct negotiation mode…(ii) a conciliation mode…and a mediator to propose a resolution (93)	
	• "present pre-programmed recommended resolutions based on the analysis in a first mode; performs a match of needs of the two parties as defined by the dispute to resolve the dispute in a second mode; provides a medium for parties to independently resolve disputes in a third mode" (95)	

SquareTrade Differentiation from Prior Art

SquareTrade Principles	Sample Claim Language	Slide
3. Systems and processes of conciliation-based ODR to facilitate (self-service) party-driven resolution of ecommerce or online disputes	• "executing software to apply a case-based reasoning system to the case information to produce a result for use in selection of a mode of resolving the dispute…presenting the result…to one or more parties" (1)	8-25
• Processes to help parties compare new cases to common historical cases stored by system to assist in mode processes	• "providing visual cues to highlight agreements between the parties" (20) and "disagreement" (21)	
• Auto- or assisted selection of resolution modes	• "the server provides a pre-programmed recommended resolution to at least one of the parties" (94)	
• Visual tools to help parties see fair resolution options	• "present pre-programmed recommended resolutions based on the analysis…performs a match of needs of the two parties as defined by the dispute to resolve the dispute… provides a medium for parties to independently resolve disputes" (95)	
• Mechanisms for enabling personalized resolution processes	• "automatically assemble the case information from records provided by parties, wherein the software module presents sample resolutions to the parties to aid the parties in solving the case, and presents case information in a form that identifies areas of agreement between parties" (98)	
• Settlement-focused resolution processes that encouraging settlement in an automated fashion		

SquareTrade Differentiation from Prior Art

SquareTrade Principles	Sample Claim Language	Slide
4. Systems to train, manage and integrate a global network of dispute resolution specialists into the conciliation-based ODR system • Messaging tools • Case development tools • Common case history tools • Auto assignment tools • Precedent and comparison analysis on relevant case history to assist in selection of mode and encourage settlement	• "involving a human dispute DR specialist" (2) • "plurality of communication modes" (15) • "private messaging mode…only between that one of parties and the DR specialist" (16) • "communication mode selected by DR specialist" (17) • "training a DR specialist by requiring…to experience transactions within online marketplaces" (91) • "server provides a message exchange by which the DR specialist interacts with the parties" (96) • "server automatically assigns the DR specialist" (97) • "assemble the case information from records provided by parties; and …assist a DR specialist in identifying similar cases from a historical database of past cases" (99) • "automatically settling the dispute if the settlement positions satisfy a predetermined criteria" (8) that relate to "monetary settlement" (9) or "nonmonetary settlement" (10)	26-34

SquareTrade Differentiation from Prior Art

Claim 1

A method for resolving an electronic commerce dispute involving (one) or more parties, comprising: *no response from second party*

    receiving over a computer network and from at least one party case information that describes the dispute;

    executing software to applying a case-based reasoning system to the case information to produce a result for use in selection of a mode of resolving the dispute in accordance with an online dispute resolution process; and

    presenting the result of the application of the case-based reasoning system to the case information to the one or more parties via the computer network to assist the parties in resolving the dispute.

SquareTrade Differentiation from Prior Art

Claim 104

The method of claim 1, further comprising:

providing an electronic marketplace that is accessed by users via a computer network and enables the users to buy and sell items;

indicating the availability of a dispute resolution system to resolve disputes between the users of the electronic marketplace by displaying to the users one or more medallions associated with the dispute resolution system within the electronic marketplace; and

controlling the appearance of the media objects based on data maintained by the dispute resolution system that describes the use of the dispute resolution system by the users.

SquareTrade Differentiation from Prior Art

Claim 98

A system comprising:

a database to store facts and outcomes of previously resolved disputes; and

a server to receive case information that describes an electronic commerce dispute from one or more parties to the dispute via a network, wherein the server compares the case information to the facts of previously resolved disputes stored by the database to produce a result for use in selection of a mode of resolving the dispute, and presents a result of the comparison to the parties via the network, and

a software program executing on the server to automatically assemble the case information from records provided by the parties, wherein the software module presents sample resolutions to the parties to aid the parties in resolving the case, and presents the case information in a form that identifies areas of agreement between the parties.

highly aware of over lapping

SquareTrade Differentiation from Prior Art

Claim 95

A system comprising:

a database to store facts and outcomes of previously resolved disputes; and

a server to receive case information that describes an electronic commerce dispute from one or more parties to the dispute via a network, wherein the server compares the case information to the facts of previously resolved disputes stored by the database to produce a result for use in selection of a mode of resolving the dispute, and presents a result of the comparison to the parties via the network,

wherein the server:

performs an analysis of the dispute and present pre-programmed recommended resolutions based on the analysis in a first mode;

performs a match of needs of the two parties as defined by the dispute to resolve the dispute in a second mode;

provides a medium for the parties to independently resolve the dispute in a third mode; and

assigns a dispute resolution specialist to resolve the dispute in a fourth mode upon failure to reach a resolution in at least one of the other modes.